

EXHIBIT 125

**Excerpts of the
First Deposition of
Dr. Hal J. Singer
(Redacted)**

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

- - -

IN RE: : Civil Action
: DOCKET NO.
CUNG LE, NATHAN QUARRY, : 2:15-cv-01045-RFB-
JON FITCH, BRANDON VERA, : (PAL)
LUIS JAVIER VAZQUEZ and :
KYLE KINGSBURG, on behalf : CLASS ACTION
of themselves and all :
others similarly :
situated, :
:
Plaintiffs, :
:
v. :
:
ZUFFA, LLC, d/b/a :
ULTIMATE FIGHTING :
CHAMPIONSHIP and UFC, :
:
Defendants. :
- - -

Wednesday, September 27, 2017

- - -

Videotaped deposition of
HAL J. SINGER, Ph.D., taken pursuant to
notice, was held at the law offices of
Berger & Montague, P.C., 1622 Locust
Street, Philadelphia, Pennsylvania 19103,
beginning at 9:24 AM, on the above date,
before Constance S. Kent, a Certified
Court Reporter, Registered Professional
Reporter, Certified LiveNote Reporter, and
Notary Public in and for the Commonwealth
of Pennsylvania.

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<p>1 more a valuable fighter is going to -- a 2 more highly ranked fighter is going to 3 generate more attention, more sales with 4 pay-per-view.</p> <p>5 Q. And if the same fighter 6 fought for Zuffa and Bellator in the same 7 year and the Zuffa event generated more 8 revenue, that fighter would receive a 9 higher weight in the foreclosure share 10 calculation when he or she fights for 11 Zuffa rather than Bellator; is that 12 right?</p> <p>13 A. That would only be true 14 under the revenue weighting approach. 15 It's not true under the other -- under 16 the other approaches.</p> <p>17 Q. Right. Under the revenue 18 weighting approach, if the same fighter 19 fights for Zuffa and Bellator in the same 20 year and the Zuffa events generate more 21 revenue, that same fighter would receive 22 a higher weight in the foreclosure share 23 calculation when he or she fights for 24 Zuffa; is that right?</p>	<p>1 fighters 1 through 15; is that correct? 2 A. Oh, not just in the 3 headliner definition. I've -- I've 4 employed rank weighting in others as 5 well.</p> <p>6 Q. Okay.</p> <p>7 A. When you -- when you start 8 to combine fighters ranked 1 through 650 9 within a given weight class, you have a 10 real issue of how valuable is it on a 11 relevant basis to lock up number 1 versus 12 number 650. The notion being that 1 is 13 more valuable, and the question is how do 14 you -- how do you express that 15 mathematically.</p> <p>16 So one approach to that, of 17 course, is to -- is to give more weight 18 to the higher ranked fighter.</p> <p>19 Q. And let me understand how 20 you did express the inverse ranking. For 21 the inverse ranking, if you had the 22 number 1 fighter and the number 15 23 fighter in a weight class, the number 1 24 fighter would be weighted 15 times more</p>
<p>1 MR. CRAMER: Asked and 2 answered.</p> <p>3 THE WITNESS: I think I put 4 it in a way that -- that I 5 preferred. I hear that as the 6 same question.</p> <p>7 BY MR. ISAACSON:</p> <p>8 Q. Well, you didn't actually -- 9 oh, okay. You did say it was true under 10 the revenue weighting approach. That's 11 right. I'm sorry. I only caught what 12 you said it was not true for.</p> <p>13 The -- sometimes I ask the 14 same question if I'm trying to get the 15 answer.</p> <p>16 A. That's okay.</p> <p>17 Q. The -- now, you mentioned 18 the non-revenue weighting measures, and 19 one of those was where you weighted by 20 rank; is that right?</p> <p>21 A. To be precise, the inverse 22 of the rank, yes.</p> <p>23 Q. And inverse ranking means 24 you -- you were looking at ranked</p>	<p>1 Page 139</p> <p>1 than the number 15 fighter?</p> <p>2 A. I think that's fair. I 3 talked over you. I'm sorry. Yes, that's 4 fair.</p> <p>5 Q. And number 6 is weighted 6 twice as much as number 12?</p> <p>7 A. I think that's how the math 8 works, yes.</p> <p>9 Q. And did you do inverse 10 ranking for 1 through 650?</p> <p>11 A. I believe there is a 12 specification, it may not be in one of 13 the tables, but I think that we have done 14 inverse ranking under all of the market 15 definitions, including the ranked 16 definition.</p> <p>17 Q. And when you went to, say, 18 600, would the number 1 fighter be 19 weighted 600 times the number 600 20 fighter?</p> <p>21 A. Yes.</p> <p>22 Q. Okay. And what's your basis 23 for using that inverse weighting, that 1 24 compared to 15 is 15 times as much, as</p>

<p style="text-align: right;">Page 142</p> <p>1 opposed to number 1 is worth something 2 more than number 15.</p> <p>3 A. Right. So the basis is the 4 record evidence in the case. The record 5 evidence tells us that the purpose of 6 the -- of the exclusionary arrangements 7 is to tie up the most valuable fighter so 8 as to prevent rivals from getting a 9 foothold.</p> <p>10 So that tells me 11 qualitatively that it's more valuable to 12 have 1 through 15 sewn up than, say, 75 13 through 90.</p> <p>14 Now the question is, how can 15 I, as an economist, quantify that -- that 16 difference in valuation, and I've tried 17 revenue weighting, I've tried rank 18 weighting and inverse rank weighting and 19 I've tried unweighted. And at the end of 20 the day, my -- my basic regression model 21 is not sensitive to how -- how one does 22 the weighting.</p> <p>23 Q. I'm just focusing now on 24 your inverse ranking analysis. And I</p>	<p style="text-align: right;">Page 144</p> <p>1 A. I've defined headliners very 2 precisely as 1 through 15. I think the 3 term headliners can connote other -- 4 other numbers.</p> <p>5 Q. And in the example that I've 6 given of the number 1 fighter and the 7 number 10 fighter, those would both be 8 headliners within your definition?</p> <p>9 A. Correct.</p> <p>10 Q. And the number 1 fighter 11 would be worth ten times as much as the 12 number 10 fighter, that's correct?</p> <p>13 A. Under the --</p> <p>14 Q. We're only talking about the 15 inverse rank weighting.</p> <p>16 A. Good.</p> <p>17 Q. I'm correct that under the 18 inverse rank weighting, the number 1 19 fighter would be weighted ten times as 20 much as the number 10 fighter; is that 21 right?</p> <p>22 A. Correct.</p> <p>23 Q. And there's nothing in the 24 record that would support that relative</p>
<p style="text-align: right;">Page 143</p> <p>1 understand that you concluded the number 2 1 fighter, for example, is more valuable 3 than the number 10 ranked fighter, but 4 what's the basis for quantifying that as 5 the number 1 fighter is ten times more -- 6 worth ten times more than the number 10 7 fighter?</p> <p>8 A. I think there is record 9 evidence suggesting that it would be 10 sufficient to lock up only the headliners 11 in order to -- to cripple or to slow the 12 advance of a rival promoter.</p> <p>13 So what the record evidence 14 is telling me is that -- is that 1 15 through 15, for example, are more 16 valuable than 75 through 90. The record 17 evidence doesn't necessarily tell me how 18 to give those fighters more weight. So 19 what I decided to do for one 20 specification was to weight a fighter 21 based on his or her inverse rank.</p> <p>22 Q. All right. So when you say 23 headliners, you mean number -- those 24 ranked 1 through 15, correct?</p>	<p style="text-align: right;">Page 145</p> <p>1 difference between the number 1 fighter 2 and the number 10 fighter?</p> <p>3 MR. CRAMER: Misstates the 4 testimony.</p> <p>5 BY MR. ISAACSON:</p> <p>6 Q. Is that correct?</p> <p>7 A. That is not correct.</p> <p>8 Q. Okay. What would you point 9 me to?</p> <p>10 A. I would point you to the 11 section where I describe the basis for 12 headliner submarket, and I think the 13 record is very clear on this that -- that 14 the headliners are more valuable in the 15 eyes of the -- of the MMA promoters.</p> <p>16 The question is -- is how do 17 you express that higher value in a way 18 that a computer can understand it for the 19 purposes of performing a regression 20 analysis and that's where I come in as an 21 economist, that's where my value added 22 is, if you will. Silva is not going to 23 tell me, go get the inverse -- go get the 24 rankings and use inverse in your</p>

<p>1 studied that and I imagine for someone 2 who lives very far from the venue where 3 the live event is staged, they would not 4 be considered reasonably close 5 substitutes.</p> <p>6 Q. So for your input markets, 7 what evidence did you take into account 8 to assess customer's likely response to 9 price increase in the SSNIP analysis? 10 And feel free to point me to the sections 11 of your report that --</p> <p>12 A. Did you mean to say -- I 13 think you just conflated the input 14 markets and customers. Maybe we should 15 start over.</p> <p>16 Q. Yes, I said price increase 17 rather than wage decrease, but let me 18 just put it this way: What evidence in 19 your report did you take into account to 20 assess the likely response to a SSNIP in 21 the input markets?</p> <p>22 A. Sure. So there it's the 23 perspective of the fighters not the 24 customers. So I was tripping up over</p>	<p>1 to -- 2 MR. CRAMER: Okay. 3 MR. ISAACSON: I'm not going 4 to ask him to recite all the 5 documentary evidence. 6 BY MR. ISAACSON: 7 Q. And I understand that 8 there's documentary evidence that you're 9 not reciting today. 10 Okay. Other than the record 11 evidence of the -- about sub- -- 12 perceptions of substitutability from the 13 stakeholders, what would be other parts 14 of your SSNIP analysis for the input 15 market?</p> <p>16 A. I would direct you to 17 Section 3A 1 for all of the evidence that 18 I used to inform the construction of the 19 relevant input market.</p> <p>20 Q. That would be the record 21 evidence that you were referring to?</p> <p>22 A. Well, record evidence is 23 fairly broad, right, because it 24 encompasses almost everything. But I</p>
<p>1 your -- 2 Q. Yes. 3 A. -- injecting customers when 4 we're talking about input markets. 5 So I can take you to the 6 relevant sections, and I will, but of 7 course at high levels, I'm looking at 8 record evidence of -- of what fighters 9 and promoters thought about substitution 10 possibilities as you -- if you were to 11 move away from Zuffa to counteract a 12 hypothetical wage cut.</p> <p>13 Q. Okay. So the first thing 14 you looked at was record evidence of 15 substitution.</p> <p>16 A. Or the perception of 17 substitution from the stakeholders, the 18 fighters, the promoters, and I'll just 19 point you, if you --</p> <p>20 Q. That's -- that's sufficient 21 for -- for item 1.</p> <p>22 MR. CRAMER: You asked him 23 to look at his report.</p> <p>24 MR. ISAACSON: I'm going</p>	<p>1 will point -- to me the -- what helps to 2 guide me to the findings that I made with 3 respect to the input market was the fact 4 that Zuffa was able to successfully 5 suppress fighter wages, wages either 6 measured by -- by wage share, regression 7 or by knowledge of the fact that wage 8 shares were [REDACTED] [REDACTED] yet Zuffa did 10 not suffer sufficient defection so as to 11 render that wage decrease unprofitable. 12 Now, that -- that tells you, 13 as a matter of economics, that a -- that 14 a reasonable starting place for defining 15 the contours of the relevant input market 16 is just the fighters under Zuffa's 17 control. That was the -- the first thing 18 that occurred to me. 19 And once you -- once you 20 start there, you can start looking at 21 record evidence to determine whether 22 additional fighters from -- from rival 23 promotions ought to be included so that 24 you eventually get to the smallest set of</p>

1 fighters such that a hypothetical
 2 monopsonist could profitably exercise
 3 monopsony power.

4 Q. All right. And you said
 5 that Zuffa was able to successfully
 6 suppress fighter wages -- wage share.
 7 You were talking only about the share of
 8 revenues there, correct?

9 A. Correct.

10 Q. Okay. You didn't look at
 11 whether Zuffa actually suppressed wages
 12 and whether fighters moved to -- did not
 13 move to other promoters after reduced
 14 wages?

15 MR. CRAMER: Compound,
 16 objection to form.

17 THE WITNESS: Actually, if
 18 you take wage shares down from
 19 █ percent to █ percent and you
 20 hold an event revenues constant,
 21 that's a decrease in the absolute
 22 wage for the fighter.

23 So I don't -- I don't
 24 automatically except that every

1 BY MR. ISAACSON:

2 Q. So my actual question was --
 3 I understand you're focused on that, but
 4 my question is, did you look at whether
 5 Zuffa actually suppressed actual wages?

6 A. Without controlling for
 7 revenues, no. Because it's incorrect to
 8 do so.

9 Q. So in performing your SSNIP
 10 analysis for the input markets, is it
 11 fair to say that you relied on the record
 12 evidence about the issue of perceived
 13 substitution from the stakeholders along
 14 with your observations that when Zuffa
 15 suppressed fighter wage shares, there
 16 weren't significant defections?

17 A. I think -- I think that
 18 encompasses a lot. I also think that
 19 Zuffa in its ordinary course of business
 20 made use of a FightMetrics (sic)
 21 database. I had -- the very first thing
 22 I did when I -- when I got this case was
 23 I started reading the economic literature
 24 on the MMA industry, and almost every

1 fighter was improved as they
 2 marched from a █ percent wage
 3 share at Zuffa to an █ percent
 4 wage share.

5 BY MR. ISAACSON:

6 Q. All right. But in your --
 7 in your hypothetical there you held
 8 revenues constant. Did you look at, as
 9 part of your analysis of the input market
 10 and defining that market, as to whether
 11 Zuffa actually suppressed actual wages?

12 MR. CRAMER: Objection to
 13 form.

14 BY MR. ISAACSON:

15 Q. As opposed to wage share?

16 MR. CRAMER: Same objection.

17 THE WITNESS: I'm focused on
 18 wage share, of course, because
 19 it's the right thing to look at
 20 from an economic perspective.
 21 We're trying to measure
 22 exploitation, and the textbooks
 23 tell you to do it as a share of
 24 marginal revenue product.

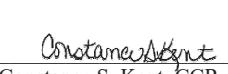
1 article I read, the FightMetrics (sic)
 2 database formed the foundation of their
 3 empirical analysis.

4 So I thought that that was a
 5 reasonable place to begin to posit what
 6 the smallest set of fighters that could
 7 be under the control of a hypothetical
 8 monopsony would be in order for it to
 9 exercise market power.

10 Q. All right. Why did you use
 11 the smallest set of fighters not the
 12 smallest amount of promoters?

13 A. Well, because we're looking
 14 at the input market. The fighters form
 15 the elements of the input market. They
 16 happen to belong to promoters, but
 17 fighters are the elements or the
 18 ingredients.

19 But I'm -- if I'm a
 20 fighter -- just to make it clear, if I'm
 21 a fighter and I'm thinking about
 22 substituting, defecting from UFC and
 23 going to a rival promotion, I don't care
 24 what the name of the promotion is or

<p style="text-align: right;">Page 330</p> <p>1 restriction in the pay-per-view output of 2 marquee events between 2010 and 2015?</p> <p>3 A. Yes. That's what a 4 pay-per-view event is. I mean, you're 5 not going to sell a pay-per-view event 6 unless you have headliner fighters in it.</p> <p>7 Q. So you're characterizing all 8 of the pay-per-view events as marquee 9 events when you say marquee events?</p> <p>10 A. I think that you might be 11 able to find counterexamples, a handful 12 of counterexamples of a pay-per-view that 13 doesn't feature a headliner, but in 14 general it would be really hard to sell 15 it unless it featured a headliner.</p> <p>16 Q. Right. And did the -- and 17 if Zuffa -- if a firm decided that it 18 wanted to move marquee events from 19 pay-per-view to broadcast, would you 20 consider that direct evidence of power to 21 restrict supply?</p> <p>22 MR. CRAMER: Incomplete 23 hypothetical, form.</p> <p>24 THE WITNESS: Well, you're</p>	<p style="text-align: right;">Page 332</p> <p>1 record. 2 (Recess.)</p> <p>3 THE VIDEOGRAPHER: The time 4 is 4:31 PM. We have been on the 5 record for five hours and 6 36 minutes.</p> <p>7 MR. CRAMER: All right. We 8 have no questions.</p> <p>9 MR. ISAACSON: Thanks.</p> <p>10 MR. CRAMER: Let's go off 11 the record.</p> <p>12 THE VIDEOGRAPHER: All 13 right. The time is 4:31 PM.</p> <p>14 This concludes the 15 deposition and this is the end of 16 Disk 3.</p> <p>17 (Witness excused.)</p> <p>18 (Deposition concluded at 19 approximately 4:31 PM.)</p>
<p style="text-align: right;">Page 331</p> <p>1 asking me to assume something that 2 I understand to be an unprofitable 3 move.</p> <p>4 But if -- if your experts 5 can show evidence that these 6 marquee events moved one-for-one 7 from pay-per-view to -- to 8 television, I'd be happy to 9 consider such evidence. But I 10 don't have an opinion on it right 11 now.</p> <p>12 Q. Okay.</p> <p>13 THE VIDEOGRAPHER: Excuse 14 me, Counsel. We're approaching 15 ten minutes left on the disk.</p> <p>16 MR. ISAACSON: I think I'm 17 done.</p> <p>18 Give me one minute, but I 19 think I'm about done for the day.</p> <p>20 Give us a minute.</p> <p>21 MR. CRAMER: Let's go off 22 the record.</p> <p>23 THE VIDEOGRAPHER: The time 24 is 4:28 PM. We are going off the</p>	<p style="text-align: right;">Page 333</p> <p>1 2 3 4 5 CERTIFICATE 6 7 I HEREBY CERTIFY that the 8 witness was duly sworn by me and that the 9 deposition is a true record of the 10 testimony given by the witness. 11 12 It was requested before 13 completion of the deposition that the 14 witness, HAL J. SINGER, Ph.D., have the 15 opportunity to read and sign the 16 deposition transcript.</p> <p>17 18 19 20 21 22 23 24</p> <div style="text-align: right; margin-top: 10px;">   <p>Constance S. Kent, CCR, RPR, RMR Certified Court Reporter Registered Professional Reporter Certified LiveNote Reporter and Notary Public in and for the Commonwealth of Pennsylvania Dated: October 1, 2017</p> </div> <p>20 21 22 23 24</p> <p style="text-align: right;">(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)</p>